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Paul Makube | Tumi Kgasago | Vhutshilo Mabela | 26 AUG 2022

## Weekly update – Fruit and Vegetable Markets

- Last week saw the release of the July 2022 inflation outcomes at both the consumer and producer level. Both indices came in on the upside with the producer price inflation (PPI) accelerating much faster by 2.2% month-on-month (m/m) and 18% year-on-year (y/y), according to Statistics South Africa (StatsSA).
- Headline inflation accelerated to 7.8% y/y and was 1.5% m/m in July and has for the fourth consecutive month remained outside the upper end of the SARB's target range of 3% to 6% and the highest since May 2009.
- The PPI for agriculture rebounded by 0.9% m/m and accelerated further by 15% y/y from 14.8% y/y in June. The food CPI on the other hand rose by 1.2% m/m and 10.1% y/y and back in double digit levels last seen in February 2017.
- Although the agriculture PPI is off the 2022 peak of 19.3% y/y recorded in May, its recent outcome indicates margin pressure on the sector as input costs accelerate much faster than output prices (figure A2). It is hoped that a further decrease at the pump with fuel prices likely to fall by R2/l and R1/l for petrol and diesel given the latest over-recovery estimates bodes well for the agriculture sector as we head into the summer season.
- Within the food CPI subindex, the fruit component trended in negative territory with a decrease of 1% m/m and 1.5% y/y largely due to the combined influence of the higher domestic output and increased availability emanating from some challenges with exports. The vegetable CPI however surprised on the upside with a monthly increase of 1.5% m/m and 8.3% y/y which is the highest level since April 2019.
- At producer level, cost pressures have subsided with the monthly fruit and vegetables PPI declining for the sixth consecutive month at -0.9% m/m and further falling by 4.6% y/y in July 2022.

Figure A1: Trends in CPI – various categories  
(% change Y/Y) – JUL 2022

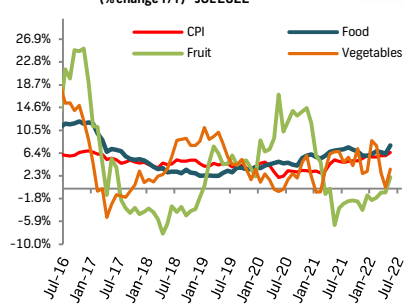


Figure A2: Trends in PPI – various categories  
(% change Y/Y) – JUL 2022

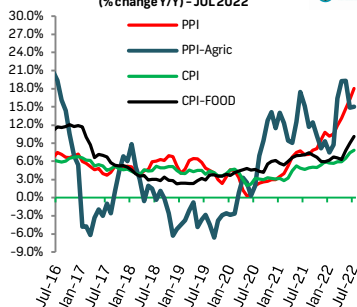
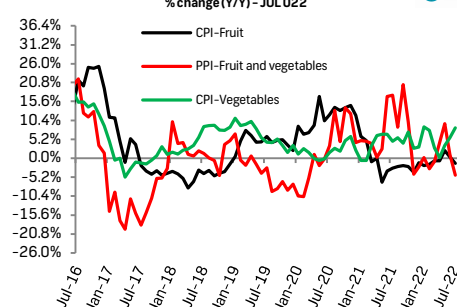


Figure A3: Trends in CPI vs PPI – selected categories  
(% change (Y/Y) – JUL 2022)



Source: StatsSA.

## Domestic trends on major fresh produce markets:

- Our analysis of prices on fresh produce markets shows declines across the vegetable complex in August 2022 led by lettuce which decreased by 36.3% m/m and 18.5% y/y at R10.23/kg. The big-ticket items such as potatoes fell sharply by 9.1% m/m and 21% y/y at R4.35/kg. Cabbage prices saw monthly losses of 4.9% m/m but still 45% higher y/y at R3.16/kg.
- However, onions and tomato prices were moderate to sharply higher supported by good uptake and limited availability. Tomato prices jumped 34.4% m/m and were 135% higher y/y at R12.88/kg while onions advanced by 3.9% m/m and 72% y/y at R5.85/kg (figure b1).
- On the fruit front, the trend was mixed with 50% of the commodities under review posting moderate losses led by avocados with decreases of 8% m/m and 24% y/y R12.75/kg followed closely by oranges which fell by 7% m/m and 22% y/y at R2.69/kg. Bananas saw marginal losses of 1% m/m at R5.34/kg which is down by a whopping 22% y/y (figure B2).
- Those on the upside include mangoes whose limited seasonal availability continued to keep prices elevated at R26.50/kg which is up by 62% m/m and 148% y/y. Apples posted modest gains of 7% m/m but still 5% lower y/y at R7.06/kg while pears gained 6% m/m and 2% y/y at R37.32/kg.
- The above picture points to a potential moderation in both vegetable and fruit inflation for August in the next Stats SA update in September 2022. The increased availability of fruit will continue to limit further upside for prices. Meanwhile, the recent ban of imports of SA fresh produce to Botswana is seen as negative for to the local market. However, the change in the import tariff for potatoes from the European countries will place upward pressure on prices.

Figure B1: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (%  $\Delta$  m/m, y/y)  
Avg for AUG 2022

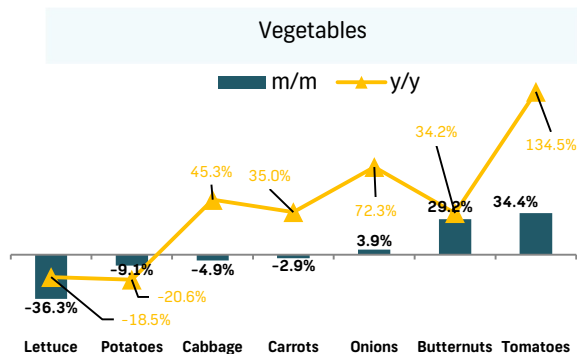
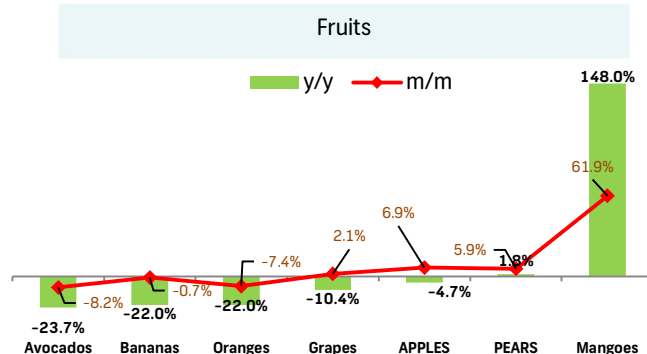


Figure B2: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (%  $\Delta$  m/m, y/y)  
Avg for AUG 2022

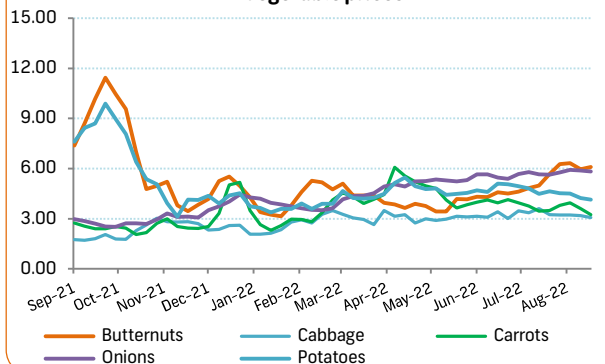
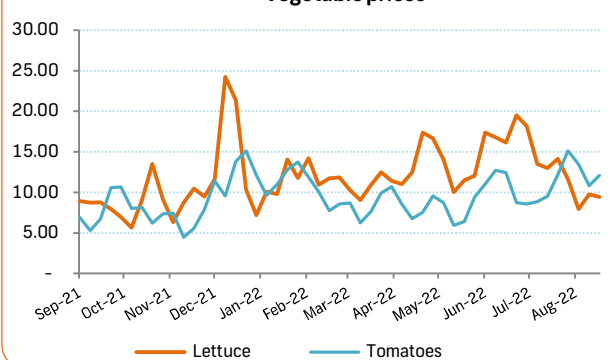


Source: Own calculations from FNB AgriComms.

Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Week ending 26 AUG 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Butternuts	6.88	15.3%	23.8%	1331	28.3%	6.5%
Cabbage	3.06	-3.4%	47.1%	1,484	0.7%	-25.5%
Carrot	3.22	-10.9%	37.8%	2,297	21.9%	-6.4%
Lettuce	7.17	-10.0%	-15.2%	315	7.7%	26.1%
Onion	5.83	-0.8%	84.1%	6,102	15.7%	-10.4%
Potato	4.13	-2.4%	-26.5%	7,443	5.8%	4.6%
Tomato	12.07	11.5%	203.7%	3,164	-5.0%	-45.2%

Source: FNB AgriComms

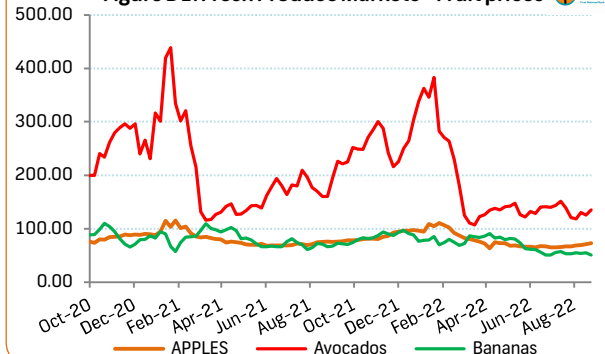
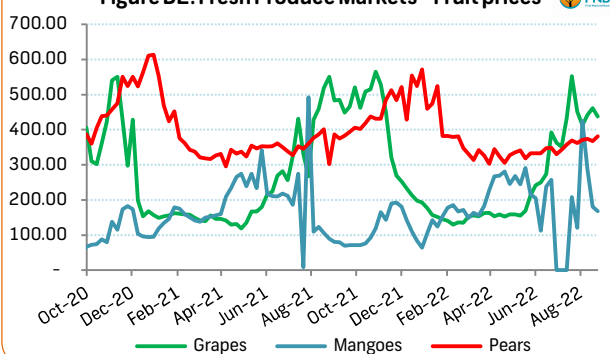
**Figure C1: Fresh Produce Markets  
- Vegetable prices****Figure C2: Fresh Produce Markets  
- Vegetable prices**

Source: FNB AgriComms

**Table 2: Fruit prices – South Africa's Major Fresh Produce Markets –  
(Average Major Markets: Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban, & other markets)**

Week ending 26 AUG 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Apples	7.29	2.6%	-3.8%	1,900	4.3%	-7.0%
Avocados	13.55	7.8%	-15.6%	640	17.7%	112.2%
Bananas	5.06	-7.9%	-24.2%	4,768	-1.5%	73.6%
Grapes	43.72	-5.2%	-20.6%	79	37.7%	23.5%
Mangoes	16.83	-7.1%	88.1%	2	278.3%	-71.5%
Pears	2.76	2.1%	-20.1%	2,409	7.8%	15.4%

Source: FNB AgriComms

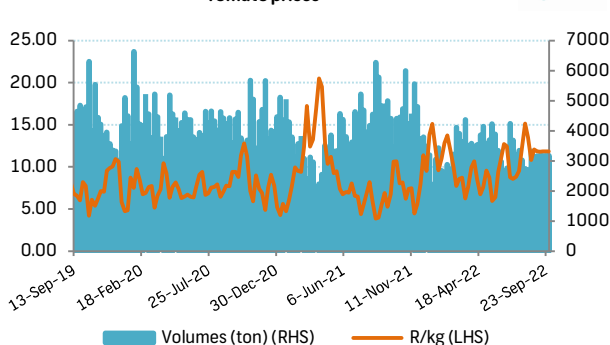
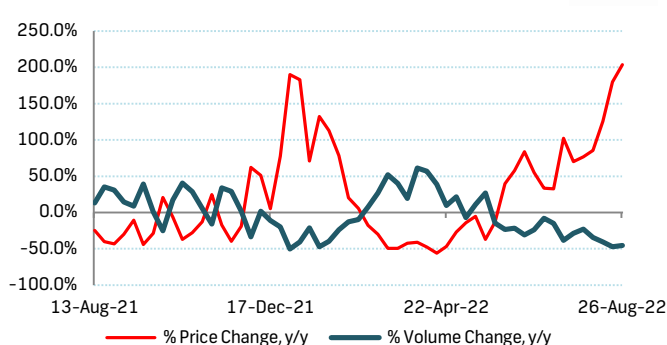
**Figure D1: Fresh Produce Markets – Fruit prices****Figure D2: Fresh Produce Markets – Fruit prices**

Source: FNB AgriComms

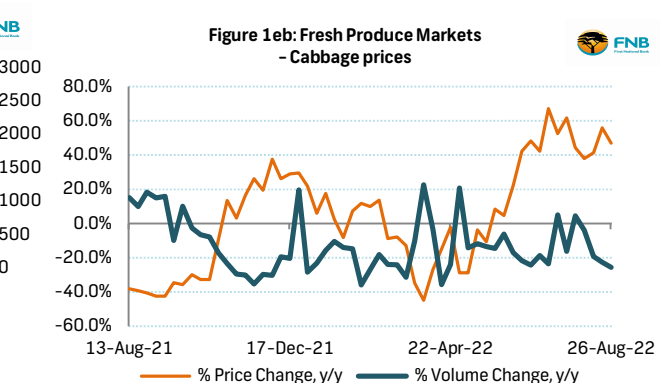
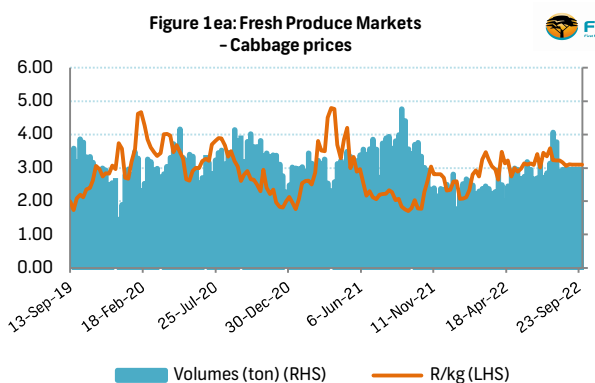
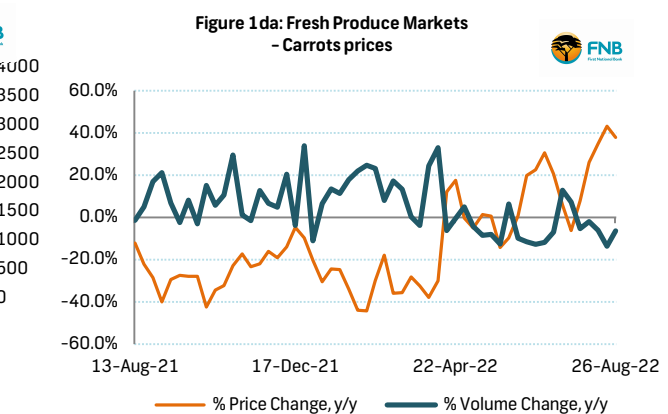
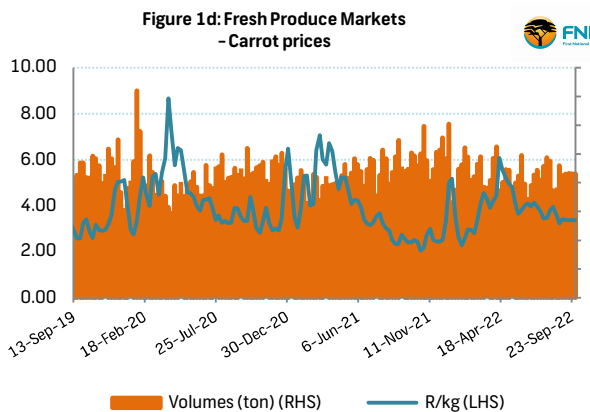
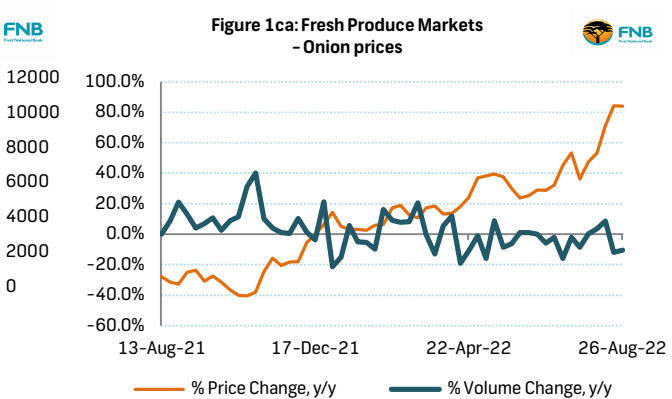
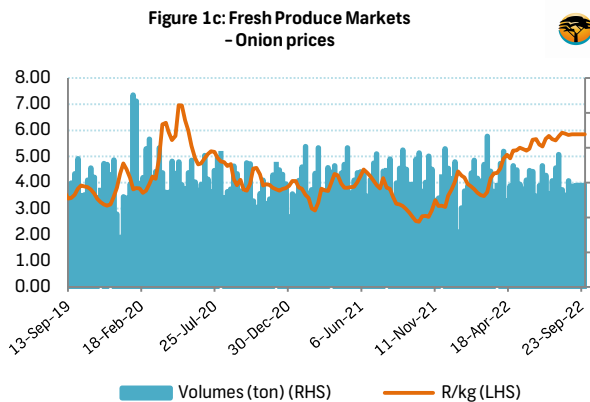
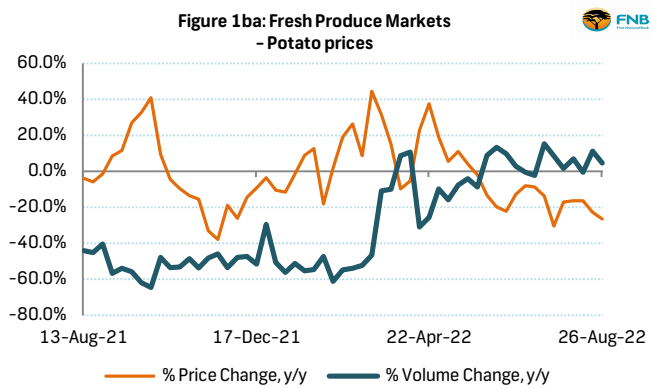
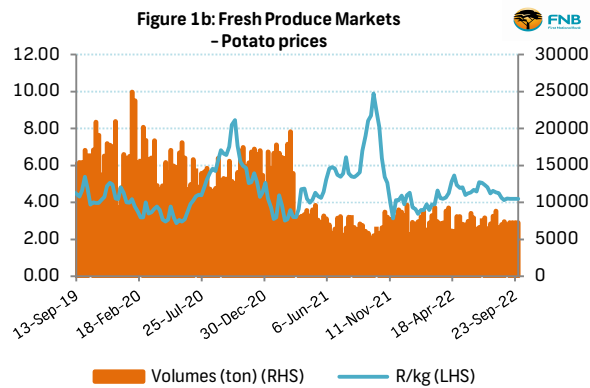
**Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)**

(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

\*Note: The last six data points are preliminary for all vegetable prices and quantity graphs.

**Figure 1a: Fresh Produce Markets  
- Tomato prices****Figure 1aa: Fresh Produce Markets  
- Tomato prices**

Source: FNB AgriComms



Source: FNB AgriComms

Figure 1fa: Fresh Produce Markets  
- Butternut prices

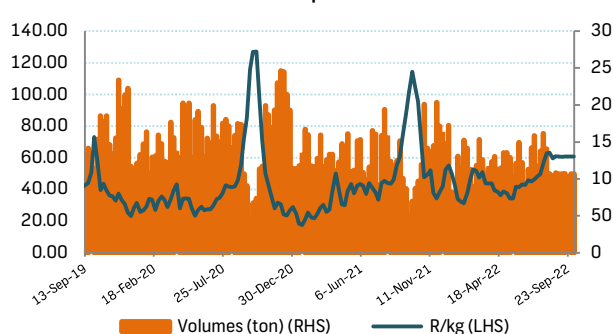


Figure 1fb: Fresh Produce Markets  
- Butternut prices

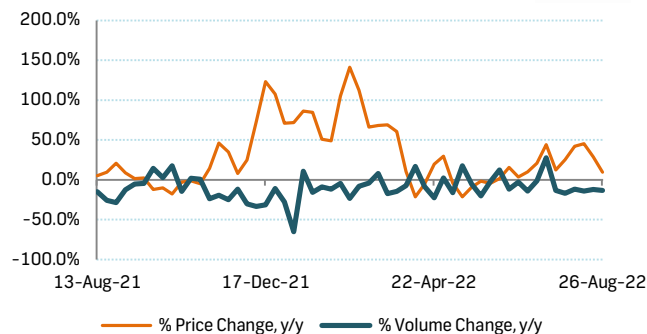


Figure 1g: Fresh Produce Markets  
- Lettuce prices

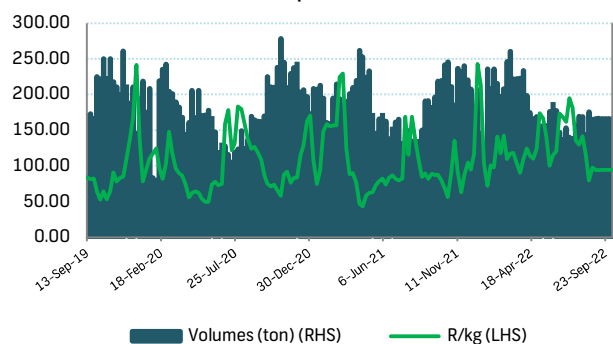
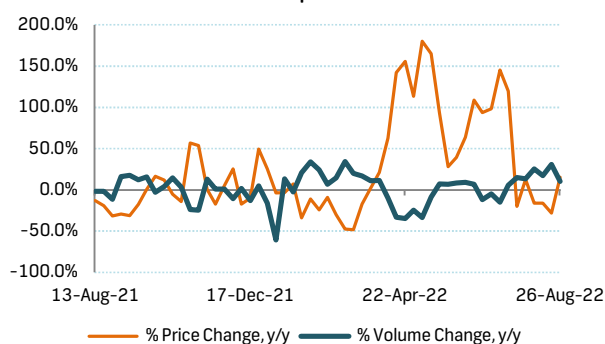


Figure 1ga: Fresh Produce Markets  
- Lettuce prices



Source: FNB AgriComms

## Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

(Average 5 major markets - Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Figure 2a: Fresh Produce Markets  
- Apples prices

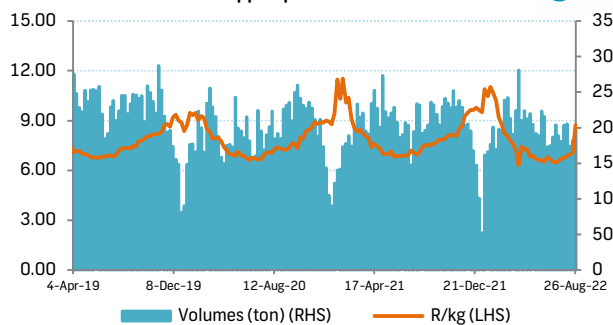


Figure 2aa: Fresh Produce Markets  
- Apples prices

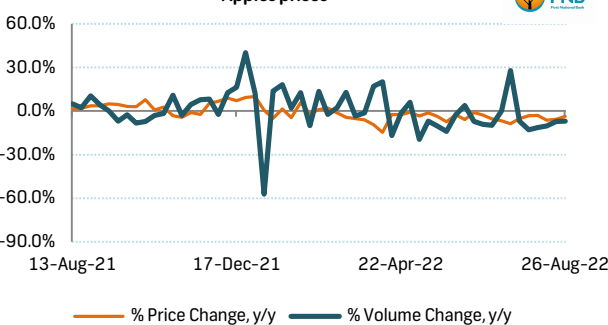


Figure 2b: Fresh Produce Markets  
- Avocado prices

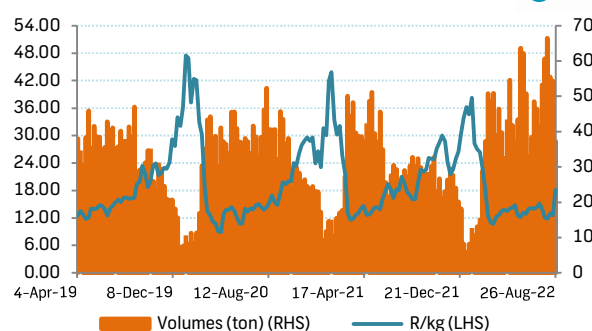
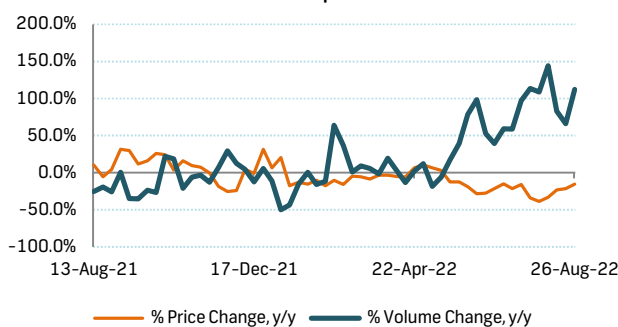


Figure 2ba: Fresh Produce Markets  
- Avocado prices



Source: FNB AgriComms



Figure 2c: Fresh Produce Markets  
- Banana prices

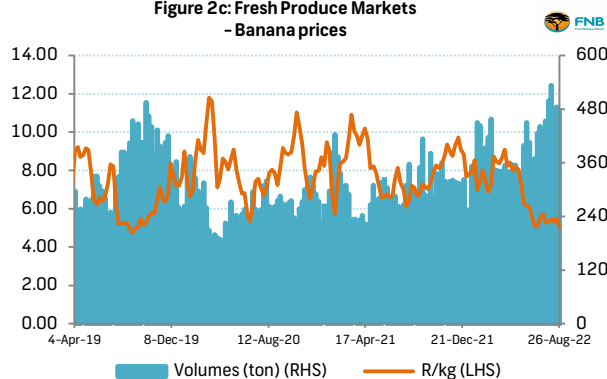


Figure 2ca: Fresh Produce Markets  
- Banana prices

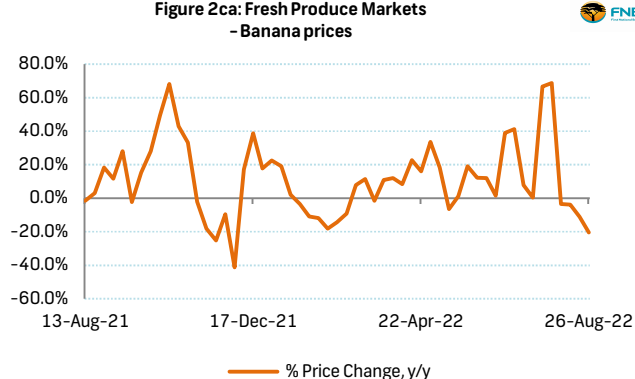


Figure 2d: Fresh Produce Markets  
- Mango prices

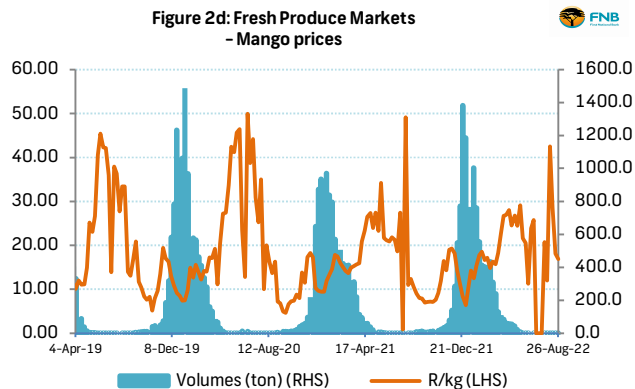


Figure 2da: Fresh Produce Markets  
- Mango prices

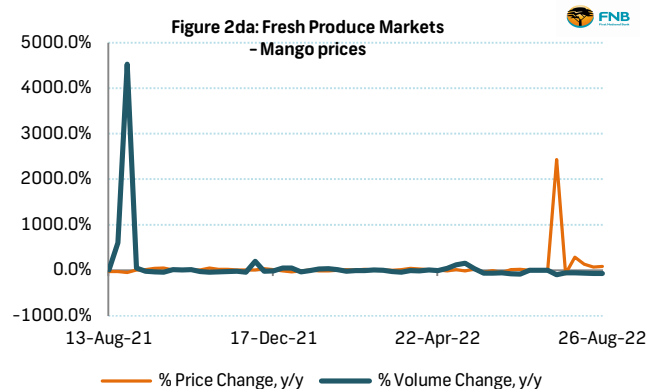


Figure 2e: Fresh Produce Markets  
- Pear prices

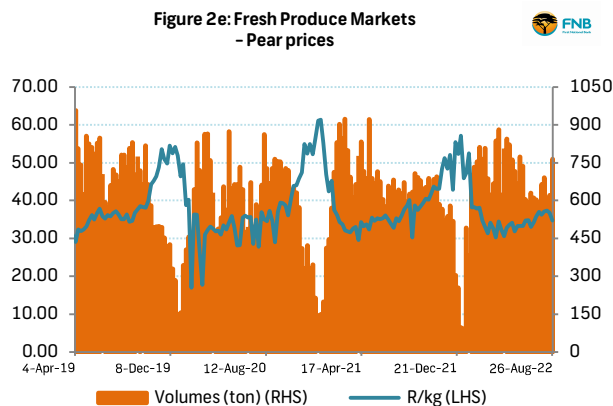


Figure 2bb: Fresh Produce Markets  
- Pear prices

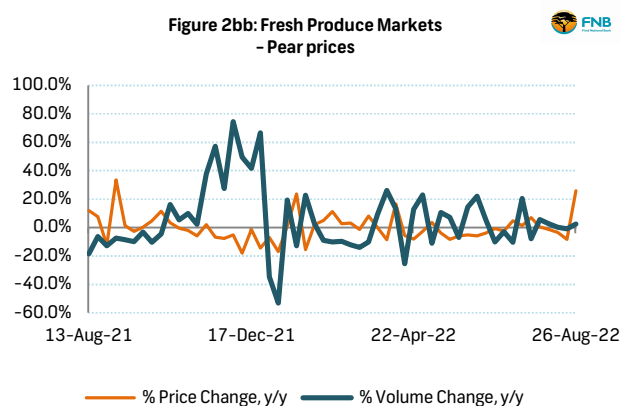


Figure 2d: Fresh Produce Markets  
- Grapes prices

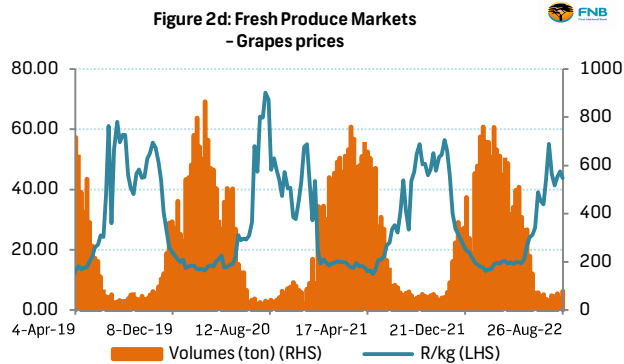
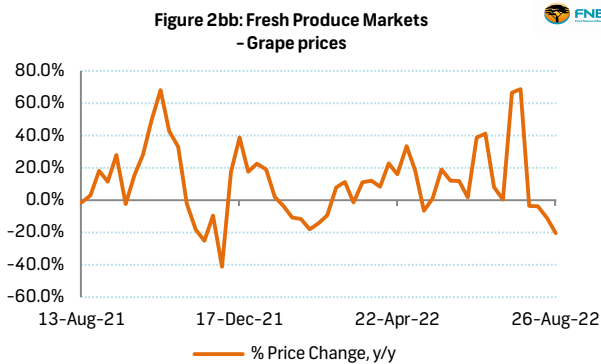


Figure 2bb: Fresh Produce Markets  
- Grape prices



Source: FNB AgriComms.

To find out more or to speak to one of our **agricultural specialists**, please contact us.

Name	City	Cell	Email
Grewar, Oosthuizen	Eastern Cape - Port Elizabeth	071 607 6850	<a href="mailto:grewar.oosthuizen@fnb.co.za">grewar.oosthuizen@fnb.co.za</a>
Edmund, De Beer	Eastern Cape - Port Elizabeth	084 656 5634	<a href="mailto:edebeer1@fnb.co.za">edebeer1@fnb.co.za</a>
Fred, Terblanche	Eastern Cape - Graaff Reinet	064 500 5880	<a href="mailto:frederik.terblanche@fnb.co.za">frederik.terblanche@fnb.co.za</a>
Martin, Louw	Free State - Theunissen	082 784 8880	<a href="mailto:mlouw1@fnb.co.za">mlouw1@fnb.co.za</a>
Chris, Bekker	Free State - Bloemfontein	082 560 1894	<a href="mailto:cbekker@fnb.co.za">cbekker@fnb.co.za</a>
Leon, Bergman	Free State - Bethlehem	083 387 7977	<a href="mailto:leon.bergman@fnb.co.za">leon.bergman@fnb.co.za</a>
Krohn, Jo-Ann	Free State - Bloemfontein	064 542 3548	<a href="mailto:Jo-Ann.Krohn@fnb.co.za">Jo-Ann.Krohn@fnb.co.za</a>
Humphreys, Freddy	Free State - Bloemfontein	060 975 0273	<a href="mailto:freddy.humphreys@fnb.co.za">freddy.humphreys@fnb.co.za</a>
Voutsas, Philip	Limpopo	082 820 4202	<a href="mailto:philip.voutsas@rmb.co.za">philip.voutsas@rmb.co.za</a>
Da Silva, Kristin	North-West	079 693 8268	<a href="mailto:Kristin.DaSilva@fnb.co.za">Kristin.DaSilva@fnb.co.za</a>
Greg, Sparrow	KwaZulu-Natal - Pietermaritzburg	071 684 8420	<a href="mailto:greg.sparrow@fnb.co.za">greg.sparrow@fnb.co.za</a>
Sarah, Collins	KwaZulu-Natal - Pietermaritzburg	082 371 1040	<a href="mailto:sarah.collins@fnb.co.za">sarah.collins@fnb.co.za</a>
Papi Moseki	Limpopo - Polokwane	061 523 1472	<a href="mailto:Papi.Moseki@fnb.co.za">Papi.Moseki@fnb.co.za</a>
Theo, Verwey	Mpumalanga - Emalahleni	082 419 6086	<a href="mailto:tverwey@fnb.co.za">tverwey@fnb.co.za</a>
Gao, Ngakantsi	Mpumalanga - Emalahleni	072 471 6040	<a href="mailto:gaopalelwe.ngakantsi@fnb.co.za">gaopalelwe.ngakantsi@fnb.co.za</a>
Du Plessis, Hanro	Mpumalanga - Emalahleni	082 895 1762	<a href="mailto:hanro.duplessis@fnb.co.za">hanro.duplessis@fnb.co.za</a>
Pedrie, Van der Merwe	Northern Cape - Kimberley	073 0306277	<a href="mailto:lschaan.vanwyk@fnb.co.za">lschaan.vanwyk@fnb.co.za</a>
Ischaan, Van Wyk	Northern Cape - Upington	071 351 3439	<a href="mailto:pedrie.vandermerwe@fnb.co.za">pedrie.vandermerwe@fnb.co.za</a>
Johan, De Klerk	North West - Brits	082 776 3477	<a href="mailto:jdeklerk2@fnb.co.za">jdeklerk2@fnb.co.za</a>
Johan, Beukes	Western Cape - Stellenbosch	082 372 4656	<a href="mailto:johan.beukes@fnb.co.za">johan.beukes@fnb.co.za</a>
Andries, Van Zyl	Western Cape - Willowbridge	073 280 8703	<a href="mailto:andries.vanzyl@fnb.co.za">andries.vanzyl@fnb.co.za</a>

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